DENALI COMMISSION GRANT PROGRESS REPORT

Grantee: Matanuska Electric Association, Inc.

Project Name: Parks Hwy. Electric Line Extensions

Grant # 2195178

Period of Report: 1/1/04 to 3/31/04

Project Activities Completed:

Construction of the Deshka Landing contract with TAB Electric is project is 98% complete, with a couple small services remaining. Another line extension off the main extension is being designed and expected to be built later this year.

Alcan Electric, the contractor on the Talkeetna River line extension has completed their work. There are a few customers who were not quite ready for their services to be energized so another crew will be sent up to complete the work.

Existing or Potential Problems:

None.

Activities Planned for Next Reporting Period

Some incidental service work, and one primary extension is planned on the Deshka Landing project. A few services are yet to be installed on the Talkeetna River project.

Pictures:

Attached are pictures of the Talkeetna line extension project.

Invoices Sent to Date:

None.

Robert C. Drake Operations Manager